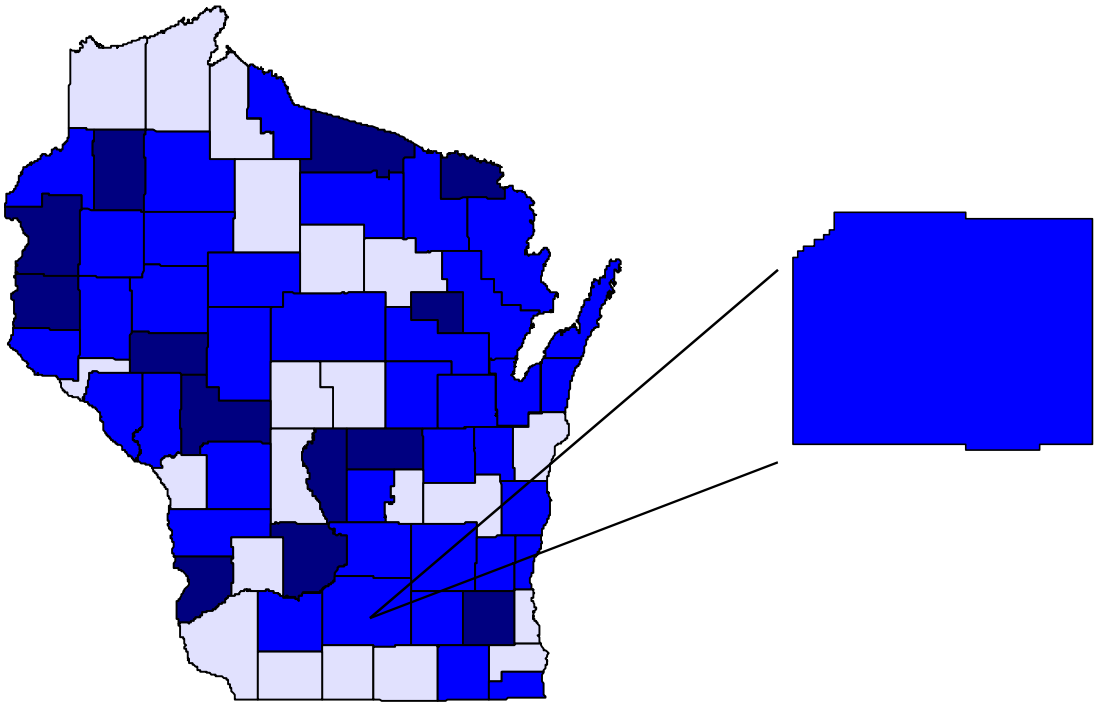
Dane County
Workforce Profile

Job Growth 1994 to 1999



O to 9.9%

10% to 19.9%

20% and over

Wisconsin Department of Workforce Development
Division of Workforce Solutions
Bureau of Workforce Information
October 2001

DWEI-10605-P (R. 10/2001)

State of Wisconsin
Department of Workforce Development

Introduction

The County Workforce Profile has been developed by the Wisconsin Department of Workforce Development's (DWD) Bureau of Workforce Information (BWI) to provide a broad overview of Dane County's labor market. The data included in this fourth year of publication is for 1999 to maintain consistency with the previous publications and to provide the user with a single year of reference in order to draw comparisons and form a picture of related labor force and employment information.

A variety of economic and demographic labor market information have been provided to describe the current labor market conditions in the counties and regions of Wisconsin. That information includes 1999 data on population, labor force, industries, employment, wages and income. The narrative describes how local conditions have changed over one-year and five-year intervals. Although population information is available from the 2000 census, it is not included in this publication since the period of time selected for all data sets is 1999. For more recent releases of information please consult the Wisconsin Department of Workforce Development Labor Market Information website: http://www.dwd.state.wi.us/lmi.

For more detailed information or clarification, please contact your local labor market analyst,
Dan Barroilhet, by telephone (608-242-4885) or email (barroda@dwd.state.wi.us).

DWD is an equal opportunity service provider. If you need assistance to access services or material in an alternate format, please contact the analyst listed above.

Dane County Population and Civilian Labor Force

Between the 1990 census and the January 1, 2000 estimate of the 1999 population, Dane County grew by nearly 52,000 people, or over 14 percent. This was the largest numerical gain of any county in Wisconsin and the ninth highest proportional change. With 48.7 percent of the population change coming from net migration (migration into the County minus migration out of the County) and 51.3 percent from natural increase (births minus deaths), population growth was the most evenly balanced in the state.

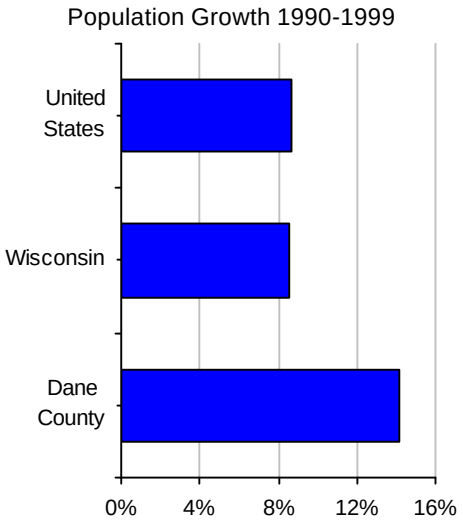
Out of roughly 1,900 municipalities in Wisconsin, the City of Madison experienced the largest numerical population growth, the City of Sun Prairie the twelfth largest and Fitchburg the twenty-third. For proportional growth, the Village of Cottage Grove was fourth in the state, the Village of Oregon was twenty-second and the Village of Blue Mounds was twenty-fifth. Thoroughfares associated with population growth include Highway 151 (connecting Verona, Madison and Sun Prairie), Highway 14 (cutting through Middleton, Madison, Fitchburg and Oregon) and Highway 51 (approaching De Forest, Madison, Monona and Stoughton). Easy access to Interstates 90 and 94 also help infrastructure in Madison, Stoughton, Monona and De Forest.

Total Population

	1990 Census	January 1, 2000 Estimate	Percent change
United States	248,790,929	270,385,000	8.7%
Wisconsin	4,891,769	5,309,996	8.5%
Dane County	367,085	418,978	14.1%
Ten Largest Municipalities			
Madison, City	190,766	207,248	8.6%
Sun Prairie, City	15,352	19,987	30.2%
Fitchburg, City	15,648	18,925	20.9%
Middleton, City	13,785	16,129	17.0%
Stoughton, City	8,786	11,136	26.7%
Monona, City	8,637	8,671	0.4%
Waunakee, Village	5,897	8,491	44.0%
Verona, City	5,374	6,954	29.4%
Oregon, Village	4,519	6,770	49.8%
De Forest, Village	4,882	6,656	36.3%

* Dane County portion only

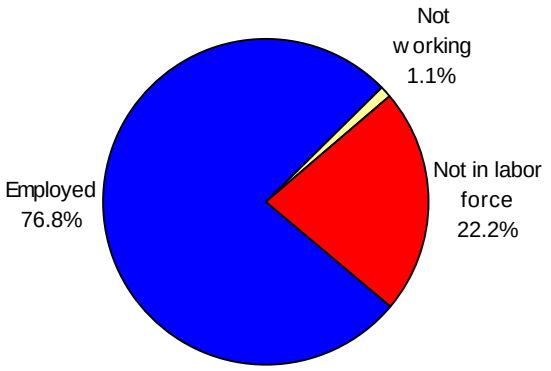
Source: WI Dept. of Admin., Demographic Services Center, *Official Population Estimates*, January 1, 2000



The first step toward understanding labor force participation rates may be to define who is not in the labor force. People who do not seek work, such as students, homemakers, retirees and discouraged workers are "not in the labor force". People who are ineligible for employment are not counted as "not working" and are not counted as "not in the labor force"; they are excluded altogether from the discussion. Reasons for ineligibility include incarceration, institutionalization, active military service or insufficient age (under 16). The term "unemployed" (or "not working") refers only to bona fide job seekers who are not working.

The participation rate is the share of the employment-eligible population that works or looks for work. On average, in 1999, nearly 78 percent of Dane County's eligible residents worked or sought work and 22 percent were not in the labor force. Dane County has a high concentration of college students who are more likely to be "not in the labor force" than people who are not enrolled in school. In spite of this, its participation rate is higher than the statewide rate of 72.3 percent or the national rate of 67.1 percent.

1999 Labor Force Participation



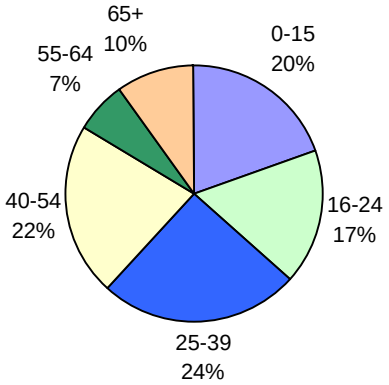
Source: Estimated from WI Dept of Administration population estimates, Jan 2000, US Census Bureau, and Local Area Unemployment Statistics

Several factors contribute to these participation rates. The acute scarcity of low cost housing in Madison compels low-income households to put more household members in the labor force. Several colleges in Dane County (including the University of Wisconsin's flagship campus, in Madison), attract and generate a workforce that has more educational credentials. School loans and the lure of rewarding work attach college graduates to the workforce. Metropolitan areas such as Madison tend to offer higher wages and a wider variety of employers (although Dane County offers less to workers seeking manufacturing jobs). Just 1.1 percent of the employment-eligible population (or 1.4 percent of the civilian labor force) was unemployed in 1999. This reduced the risk of the repeated rejection and discouragement that leads workers to stop looking for work and become "not in the labor force".

Although it is still high, Dane County's participation rate has slipped from 81.8 percent in 1998 and 82.2 percent in 1997. Age demographics contribute to this decline. Nearly 38 percent of the population was over 55 years old in 1999. Between 1990 and 1999, the number 40- to 54-year-olds increased about 29,700 people, or over 48 percent. Adding together changes among groups aged 0 to 39, their increase stood below 11,500 people or 4.6 percent. This contrast casts a different light on Dane County's 14 percent overall population growth. It is not clear how employers will replace baby-boomers approaching retirement. The 25- to 39-year-old group, (the otherwise obvious source of relief), actually shrank between 1990 and 1999.

Dane County Labor Force Age Population Distribution

Age Group	Population 1990 Census	Population 1999 Estimate	Percent change
0-15	75,733	82,292	8.7%
16-24	65,762	70,759	7.6%
25-39	105,825	105,720	-0.1%
40-54	61,397	91,101	48.4%
55-64	24,372	28,751	18.0%
65+	33,996	40,354	18.7%



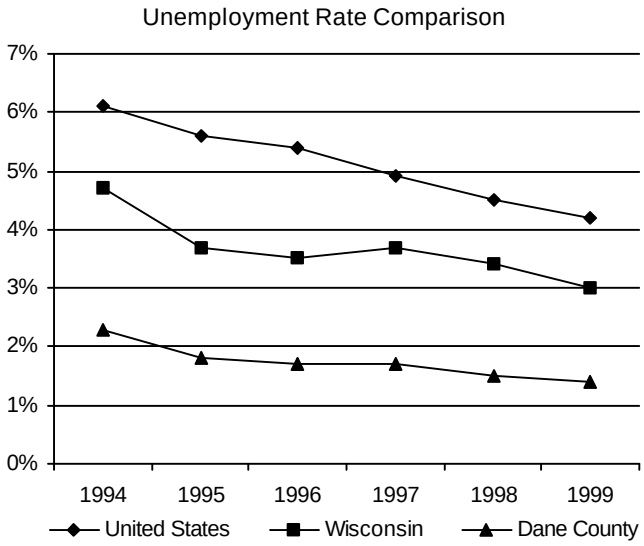
Source: Estimated from WI Dept of Admin, Demographic Services Center, *Official Population Projections 1990-2020* and US Census Bureau

Dane County Civilian Labor Force Data

	1994	1995	1996	1997	1998	1999
Labor Force	242,800	248,000	257,700	259,800	261,600	258,600
Employed	237,200	243,600	253,400	255,400	257,600	255,100
Unemployed	5,580	4,420	4,290	4,460	4,030	3,540
Unemployment Rate	2.3%	1.8%	1.7%	1.7%	1.5%	1.4%

Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

Age demographics, coupled with brisk trade in industries that traditionally rely on younger workers, contribute to Dane County's exceptionally tight labor market and ability to attract commuters. Averaging between one and two percent unemployment for most of the period between 1994 and 1999, Dane County generally reported one of the lowest unemployment rates in the nation. Many of the factors that contribute to high participation rates also tend to keep unemployment rates low. The University of Wisconsin–Madison and the state government provide workers with reliable income. Even if the economic outlook dims or falters temporarily, these workers have a higher level of consumer confidence than comparably paid private-sector employees, who worry more about layoffs. Because their spending is less likely to dip, the businesses that rely on them have steadier customers.

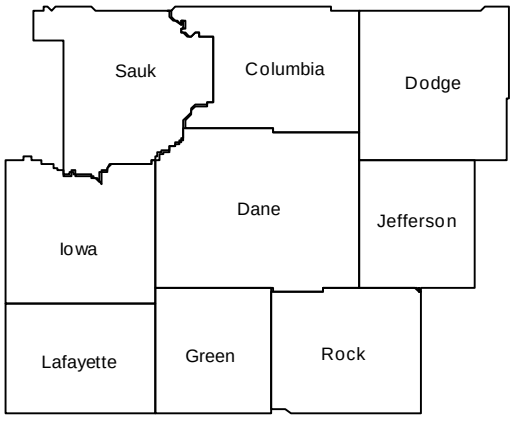


Source: WI DWD, Bureau of Workforce Information, Local Area Unemployment Statistics

From 1994 to 1999, the Local Area Unemployment Statistics (LAUS) program reported an increase of 15,800 employed persons residing in Dane County. (See page 2, bottom.) At first glance, this seems to conflict with the nonfarm wage and salary estimates on page 4, which report that Dane County has gained over 34,000 jobs. At least three factors contribute to the gap between these data sets: 1) They are derived from separate surveys with unrelated samples and different methodologies. 2) One resident can hold more than one job but cannot be counted as "employed" more than once. Therefore, an increase in multiple job holding can allow growth in the number of jobs to outpace growth in the number of employed persons. 3) A person residing outside of the County never counts toward the County's labor force or employment figures, but can commute to work for a Dane County employer. Hence, an increase in inbound commuting could allow local employers to increase the number of jobs even though local residents are not accepting those jobs. Data and analysis in the following pages suggest that inbound commuting and multiple job holding are both on the rise.

Dane County Commuting Patterns

	Commute Into	Commute From	Net Commute
Columbia County	906	5,017	4,111
Dodge County	219	580	361
Grant County	65	249	184
Green County	465	1,690	1,225
Iowa County	442	1,731	1,289
Jefferson County	1,339	2,152	813
Lafayette County	10	173	163
Marquette County	*	215	*
Milwaukee Metro Area	968	1,057	89
Richland County	35	7	-28
Rock County	1,512	2,779	1,267
Sauk County	1,108	2,303	1,195
Elsewhere	2,163	996	-1,167
Total	9,232	18,949	9,717
Work within Dane County	195,167		

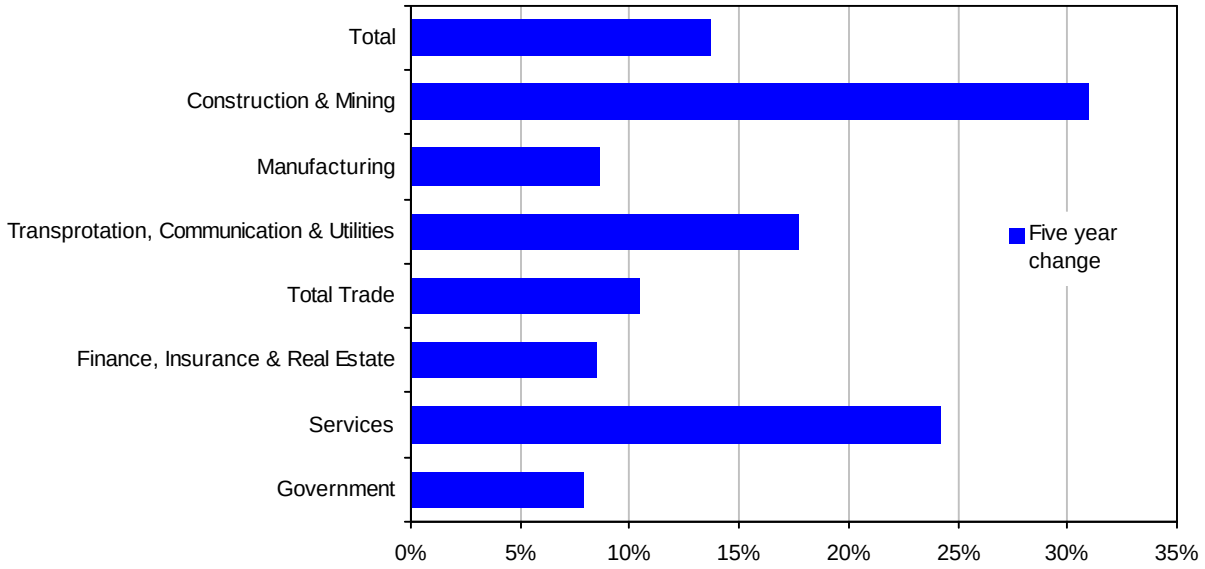


* Less than one percent. Included in Elsewhere.

Source: DWD, Bureau of Labor Market Information and Customer Services, Wisconsin's Commuting Patterns, 1994

[The above commuting estimates were based on 1990 census data. Comparable data from the 2000 census will not be released before mid-2002 and updated commuting estimates will not be available before 2003. Although numbers change, general patterns of movement are expected to continue.] Dane County draws commuters with its high wages, low unemployment and variety of jobs. Much of the outbound commuting may be attributed to workers seeking manufacturing jobs that are less plentiful locally. Despite extensive road construction, traffic planning options are limited by Madison's lakes, particularly near the downtown isthmus. This encourages residents and businesses to locate near Madison rather than in Madison.

Dane County Employment Change by Industry 1994 to 1999



	1994	1995	1996	1997	1998	1999	Percent change 1 year	Percent change 5 year
Total	248,686	255,231	261,371	267,460	275,472	282,745	2.6%	13.7%
Goods Producing	38,495	39,702	40,664	41,760	42,387	44,178	4.2%	14.8%
Construction & Mining	10,606	10,939	11,710	12,351	12,773	13,896	8.8%	31.0%
Manufacturing	27,888	28,763	28,954	29,409	29,615	30,282	2.3%	8.6%
Durable	14,369	14,641	14,644	15,193	15,445	15,886	2.9%	10.6%
Nondurable	13,520	14,122	14,311	14,215	14,169	14,396	1.6%	6.5%
Service Producing	210,191	215,529	220,707	225,700	233,085	238,567	2.4%	13.5%
Transportation, Communications & Utilities	8,197	8,510	8,857	8,957	9,173	9,652	5.2%	17.7%
Total Trade	55,250	56,914	56,960	57,922	60,064	60,998	1.6%	10.4%
Wholesale	11,349	11,720	11,829	11,885	12,286	12,515	1.9%	10.3%
Retail	43,901	45,194	45,130	46,037	47,779	48,483	1.5%	10.4%
Finance, Insurance, and Real Estate	20,736	20,430	20,492	21,212	22,017	22,495	2.2%	8.5%
Services & Misc.	58,242	61,256	64,819	67,676	69,983	72,336	3.4%	24.2%
Total Government	67,766	68,418	69,580	69,933	71,848	73,086	1.7%	7.9%

Source: WI DWD, Bureau of Workforce Information, Nonfarm Wage & Salary estimates.

The nonfarm wage and salary employment figures estimate the number of jobs in Dane County that pay a wage or a salary. Self-employed people, business proprietors, and family farms are not included because they are outside the standard payroll systems that generate these figures. (Despite the term “nonfarm”, an agricultural job paying a wage or salary is included in “services & misc.”)

Between 1994 and 1999, Dane County gained roughly 34,000 jobs, an increase of 13 percent. The employment estimates above reflect a shift from manufacturing to services, as manufacturing grew at less than nine percent and the service sector grew over 24 percent. Contributing to the 31 percent boom in construction are several recent and forthcoming projects including a new Justice Center near the Capitol Square, condominiums in downtown Madison, renovation of the state Capitol, the Overture Project arts center, the Monona Terrace convention center, the Kohl Center, new hotels and restaurants for visitors and new housing developments sprouting up in communities near Madison.

Along with the University of Wisconsin–Madison, these attractions generate service jobs and help Dane County attract workers by enriching the quality of life. They also bring in shoppers who support retail trade, which was the second biggest industry on the list and grew nearly 4,600 jobs (second only to services). Retail wages tend to be uninspiring, but students and others who want nontraditional schedules or part-time jobs seem to prefer retail jobs to unemployment.

Dane County's Largest Industries and Employers

Top 10 Industry Groups

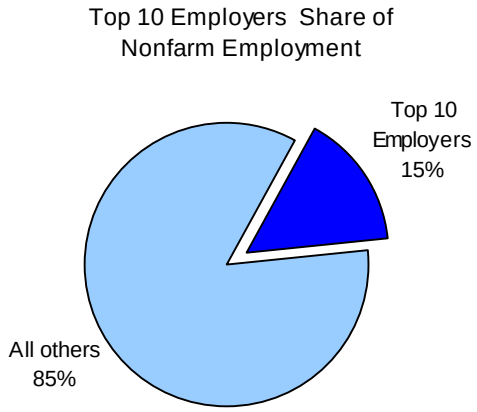
Industry Group	March 2000 Employers	March 2000 Employment	Numerical Change 1 Year	Numerical Change 5 Years
Health Services	35	1,021	-10	-60
Educational Services	8	898	42	63
Lumber And Wood Products	32	871	1	-63
Eating And Drinking Places	44	621	83	152
Industrial Machinery And Equipment	*	*	*	*
Membership Organizations	*	*	*	*
Executive, Legislative, And General	18	271	16	4
Social Services	18	269	13	26
General Merchandise Stores	5	254	*	*
Automotive Dealers & Service Stations	20	194	5	31

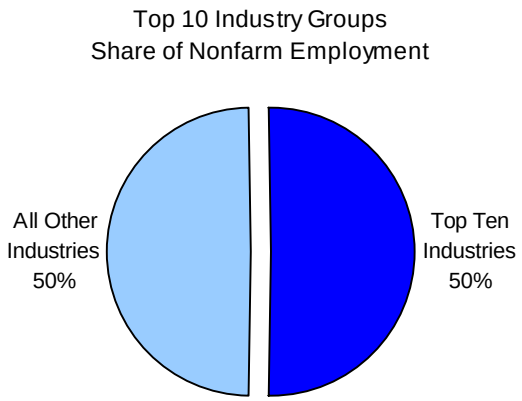
*data suppressed to maintain confidentiality

Top 10 Employers

Company	Product or Service	Size
University of Wisconsin – Madison	Postsecondary educaiton services	1000+
Madison Metropolitan School District	Primary and secondary education services	1000+
Department of Health & Family Services	Public Health	1000+
American Family Mutual Insurance Co.	Insurance services	1000+
Department of Corrections	Incarceration, probation and parole	1000+
Kraft Foods Inc..	Food and kindered services	1000+
City of Madison	City services	1000+
U.W. Hospitals & Clinics	Health services	1000+
Cuna Mutual Insurance Society	Insurance services	1000+
University of Wisconsin Medical	Health services	1000+

Source: WI DWD, Bureau of Workforce Information Bureau, ES-202 file tape, 1st quarter 1999 and LMI benchmark 2000.



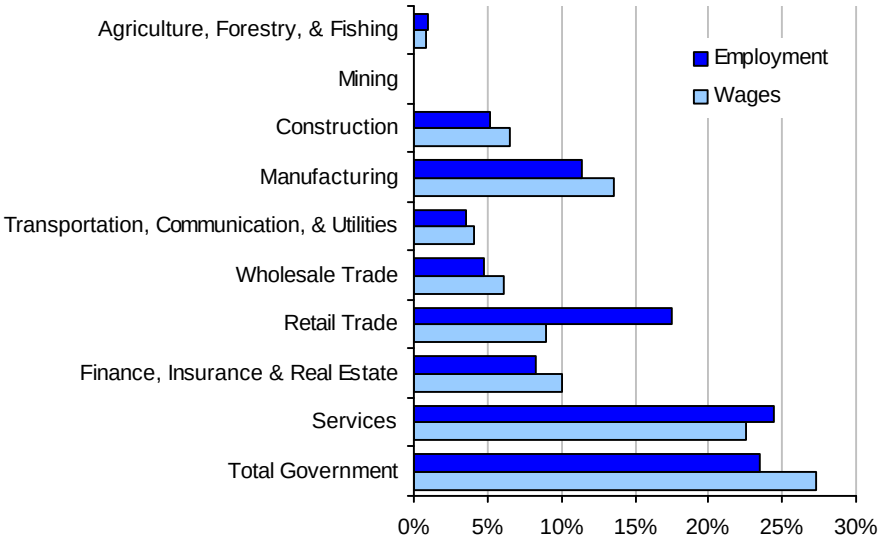


Many County Profiles confine their listing of top ten industry groups and top ten employers to the private sector. Because the state government and the University of Wisconsin–Madison play an important role in the local economy, public sector employment has been included here. The University and colleges provide education needed for jobs in sectors such as educational services, health services, business services social services and engineering and management services. The steady supply of college graduates helps these employers thrive. The students also supply labor and contribute to demand in retail as well as eating and drinking establishments. Building and renovating constantly, the U.W. (along with the other attractions listed on page 4) keeps business brisk for special trade contractors who experienced the fastest proportional growth and second-highest numerical growth from 1994 to 1999. The business services sector includes consulting, computer specialists and temporary staffing, which rely, to varying degrees, on graduates and students. Social services was the only sector in the top ten to lose jobs from 1994 to 1999. Even if political winds changed direction, it would seem difficult to reverse the social service trend toward smaller private organizations funded through limited grants and decreasing caseload and staff over time.

Dane County Employment and Wages 1999

	Annual Average Wage	State Average Wage	Percent of State Average	Percent change 1 year	Percent change 5 year	Number of Workers
All Industries	$31,096	$29,609	105.0%	4.2%	22.3%	269,012
Agriculture, Forestry, & Fishing	$24,709	$21,499	114.9%	5.8%	14.4%	2,609
Mining	*	$39,968	*	*	*	*
Construction	$39,317	$36,772	106.9%	6.6%	29.6%	13,745
Manufacturing	$36,757	$37,773	97.3%	2.4%	21.0%	30,832
Transportation, Communications, & Utilities	$36,163	$34,523	104.8%	2.3%	14.5%	9,553
Wholesale Trade	$39,390	$38,048	103.5%	4.1%	25.9%	12,912
Retail Trade	$15,861	$15,066	105.3%	5.6%	26.5%	47,288
Finance, Insurance, & Real estate	$37,649	$37,911	99.3%	2.6%	29.0%	22,381
Services	$28,655	$26,041	110.0%	6.3%	25.8%	65,832
Total Government	$35,952	$32,017	112.3%	2.4%	15.9%	63,356

Total Employment and Wage Distribution by Industry Division



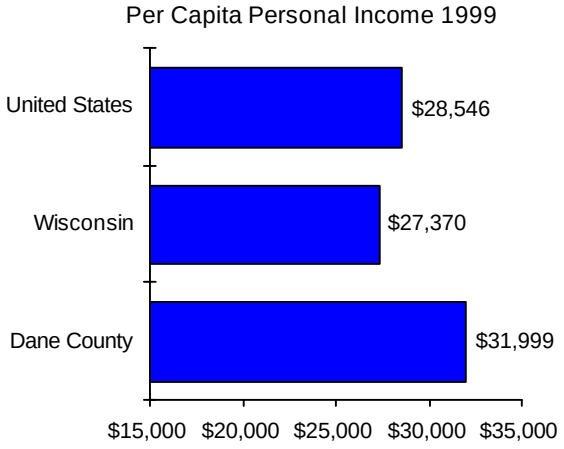
Source: WI DWD, Bureau of Workforce Information, *Employment, Wages and Taxes Due covered by Wisconsin's U.C. Law, Tables 209-211.*

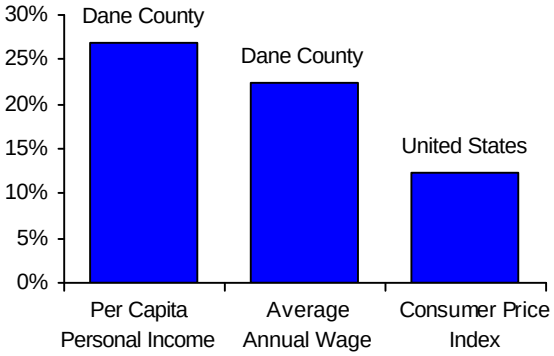
In 1999, Dane County's overall average wage of $31,096 was five percent higher than Wisconsin's overall average wage. Because manufacturing provides a relatively small proportion of the County's total jobs, (see page 4), manufacturing workers have fewer alternatives and less leverage to demand higher wages. Madison's dearth of heavy manufacturing or "smokestack industries" also contributes to manufacturing workers' below-state-average wages. Even so, manufacturing generated 13.5 percent of Dane County's total wages and 11.5 percent of the total employment.

Two sectors contributed less to wages than to total employment. The services sector accounted for 22.6 percent of wages and 24.5 percent of employment. Retail trade contributed nine percent of wages and 17.6 percent of employment. The annual wage figures for retail trade employees would probably be higher if full-time positions were more prevalent in the field. When evaluating job growth figures and industry growth figures on pages 4 and 5, it is difficult to determine how many people who work part-time in retail would be available for or interested in jobs in other sectors, such as manufacturing.

For about three decades, government has been a dominant employer in Dane County. Not until 1997 did service sector employment overtake government employment. From 1994 to 1999, the average service wage has grown 25.8 percent, the all-industries average wage increased 22.3 percent while the average government wage rose 15.9 percent. The service workers seem to be gaining ground while the government workers seem to be losing ground. Madison's colleges, research park and related incubator projects attract software and biotechnology businesses which boost service wages. Government wage growth is restrained by financial obligations to the large number of employees who are expected to retire in coming years. To the extent that base wages and wage increases are based on seniority, younger workers may be hard to recruit.

Dane County Wage and Income Data





Per capita personal income (PCPI) includes income from wages and self-employment, investment income (dividends, interest, rent), and transfer payments (social security, insurance and public assistance). Dane County's PCPI grew 26.4 percent from 1994 to 1999. This is slightly more than the statewide average PCPI growth of 26.1 percent over five years. The Consumer Price Index, (a leading measure of inflation published by the Bureau of Labor Statistics), rose 12.4 percent between 1994 and 1999, apparently leaving plenty of room for real increase in inflation-adjusted PCPI, but gains were distributed unevenly. The Consumer Price Index, (a leading measure of inflation published by the Bureau of Labor Statistics), rose 12.4 percent between 1994 and 1999, Even after adjusting for inflation, PCPI appears to have grown significantly, but gains were distributed unevenly.

Not accounting for population increase or inflation, Dane County's total personal income increased 35% from 1994 to 1999. Workplace earnings grew nearly 33% over the same period, while investment income grew 52.3 percent and transfer payments grew 18.3 percent. Dividends, rents and interest payments increase income inequalities because they go only to those who can afford to invest and go disproportionately to those who can afford to invest large sums. Growth in transfer payments (which mitigate the effects of income inequality) lagged far behind investment income growth.

Per Capita Personal Income

							Percent Change	
	1994	1995	1996	1997	1998	1999	1 year	5 year
United States	$22,581	$23,562	$24,651	$25,874	$27,321	$28,546	4.5%	26.4%
Wisconsin	$21,699	$22,573	$23,554	$24,791	$26,227	$27,370	4.4%	26.1%
Dane County	$25,210	$26,404	$27,377	$28,764	$30,599	$31,999	4.6%	26.9%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Selected Occupational Wage Data

Figure modified 12/17/2001	Mean	Median
Retail salesperson	$7.87	$9.30
General office clerk	$11.41	$11.64
Cashier	$7.47	$7.66
Food preparer or service	$6.67	$6.86
General & operations manager	$25.87	$30.26
Waiter or waitress	$5.98	$6.23
Customer service representative	$11.86	$12.85
Janitor/cleaner, (non housekeeper)	$8.59	$9.14
Receptionist or information clerk	$9.65	$9.76
Heavy truck/tractor-trailor driver	$16.06	$17.24
Secretary, (not legal, med, or exec)	$12.08	$12.14
Retail manager/supervisor	$12.33	$13.72
Wholesale/manuf. Sales rep.	$17.21	$19.42
Registered nurse	$19.63	$20.41
Bookkeeper/accounting, clerk	$11.59	$12.18

Source: DWD, BWI, 1999 OES wage survey for Madison MSA
http://www.dwd.state.wi.us/lmi/wages_oesmsa.htm

The wages for the selected occupations were reported by Dane County employers that responded to the Occupational Employment Statistics (OES) survey. Wages vary considerably within the County depending on dominant local industries and availability of jobs within commuting distance.

The mean wage for an occupation is the sum of all wages earned in that occupation divided by the number of wage earners in that occupation. The median wage is the midpoint of reported wages for an occupation; the same number of people was reported above this wage as below. Wages indicate what types of goods and services workers can afford and how highly employers value workers.

The occupations listed were selected because they employ the largest number of people in non-metropolitan Wisconsin. Retail, general office and food service jobs are plentiful and many are geared toward high school graduates or two-year college degrees more than four-year college graduates.